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Morning Newspapers - Wednesday, 10th August, 1966

Evening Newspapers - Wednesday, 10th August, 1966

Broadcasting and Television - 6 a.m., Wednesday, 10th August, 1966

RETAIL PRICES AND BASIC WAGE RATES - JUNE QUARTER, 1966

CONSUMER PRICE INDEX

The Consumer Price Index measures quarterly, for each State Capital, the variations in prices of commodities and services as affecting a high proportion of the expenditure of wage-earner households. Commodities and services included in the index are food, clothing, drapery, home ownership, rent of privately owned and government owned houses, fuel, light, furniture, household appliances and supplies, fares, motoring, tobacco, cigarettes, beer, cinema, radio and television licences, newspapers, postal and telephone services, hairdressing, dry cleaning, and various other items.

The various commodities and services have been combined into groups, and group indexes are available for Food, Clothing and Drapery, Housing, Household Supplies and Equipment, and Miscellaneous.

The indexes measure price movements in each city individually. They do not provide a comparison of the retail price level in any city with the retail price level of any other city. The base of the index for each city and for the weighted average, six State Capitals, is year 1952-53 = 100.0. Group indexes also have separate bases for each group.

There was an increase of 0.2 per cent in the Brisbane Consumer Price Index from March quarter to June quarter, 1966. The index number for All Groups rose from 141.4 to 141.7. This was the smallest increase for any quarter since December quarter, 1963, when a decrease of 0.2 per cent was recorded. For the year ended June, 1966, the All Groups increase was 4.4 per cent.

The Food Group index for June quarter, 151.1, was 0.4 per cent less than the index number of 151.7 which was recorded for March quarter, 1966. Although small price increases were recorded for a number of food items, with the exception of eggs and onions, individual item increases were of little significance. On the other hand, there was a fairly substantial fall in the price of potatoes while beef prices, and to a lesser extent mutton prices, also showed a small downward movement.

There was an increase of 1.1 per cent for the quarter in the Clothing and Drapery Group. The group index number rose from 120.9 to 122.2. The increase for the group was attributable almost entirely to footwear items as overall movements for other sections of the group were of a minor nature.

The Housing Group index rose from 158.8 to 159.7, an increase of 0.6 per cent. Increases were recorded for both ownership and rental sections.

An increase of 0.9 per cent was recorded for the Household Supplies and Equipment Group, the index numbers being 115.1 for March quarter and 116.1 for June quarter. The increase for this group was largely due to higher prices for some household appliances.

Although there were some small price variations in Miscellaneous items, there was no overall movement in the group index which remained at 152.0. The only increase worthy of note was for shoe repairs, but this increase was offset by small decreases for other items.

The Consumer Price Index increased in all State Capitals from March quarter, 1966, to June quarter, 1966. Percentage increases were as follows:- Perth, 1.9; Adelaide, 1.0; Melbourne and Hobart, 0.9; Sydney, 0.5; and Brisbane, 0.2. The increase recorded for the weighted average of the six State Capitals was 0.8 per cent.

Since the base year, 1952-53, the rise in the retail price level has been greatest in Brisbane and smallest in Sydney. Percentage increases from 1952-53 to June quarter, 1966, were as follows:- Brisbane, 41.7; Hobart, 39.3; Melbourne, 38.5; Perth, 35.3; Adelaide, 34.4; and Sydney, 34.0. The rise in the weighted average for the six State Capitals was 36.5 per cent. (It should be noted that these figures merely indicate rates of price rises in separate cities, and do not represent in any way the relativities of actual price levels in the different cities.)

COMMONWEALTH AND STATE BASIC WAGE RATES

Commonwealth and State basic wage rates are reviewed by the appropriate Industrial Authorities from time to time. The last variation made by the Commonwealth Conciliation and Arbitration Commission was an addition of \$2.00 (£1) to the male basic wage, with corresponding adjustments to the female and juvenile rates, and operated from 11th July, 1966.

The Queensland Industrial Conciliation and Arbitration Act of 1961 abolished automatic quarterly reviews of the State basic wage, but the Industrial Commission was empowered to vary the wage after a general hearing on the applications of interested parties. On 1st April, 1965, the Commission stated that, as a matter of policy, in future it did not propose to deal with an application to vary the basic wage solely because of a change in the Consumer Price Index unless such change warrants an alteration of 40c (4s.) or more in the basic wage. An increase of 50c (5s.) for males and 35c (3s. 6d.) for females was granted from 20th September, 1965, and the Commission stated that it would not further review the basic wage prior to 1st July, 1966. After the Commission refused to hear an application for an increase lodged in October, 1965, further applications for increases in the basic wage were lodged in January, 1966. The Commission decided on 6th April, 1966, to commence hearing these applications on 26th April, 1966. As a result of this hearing the Commission increased the basic wage by \$1.30 (13s.) for males and \$1.00 (10s.) for females from 23rd May, 1966.

Basic Wage Rates - State Capital Cities

Capital City	Commonwealth Basic Wage			State Basic Wage		
	Males	Females	Date of Operation ^a	Males	Females	Date of Operation
	\$	\$		\$	\$	
Brisbane ..	31.00	23.25	11.7.66	32.70	24.55	23.5.66
Sydney ..	33.50	25.10	11.7.66	33.50	25.10	11.7.66a
Melbourne ..	32.70	24.50	11.7.66	32.70	24.50	July, 1966b
Adelaide ..	32.30	24.20	11.7.66	32.30	24.20	11.7.66a
Perth ..	32.80	24.60	11.7.66	33.26	24.95	2.8.66c
Hobart ..	33.40	25.05	11.7.66	33.40	25.05	July, 1966b

- a From the first pay period commencing on or after the date shown.
- b Most Wages Boards adopted the Commonwealth rate during July, 1966.
- c Previous adjustment was \$32.65 for males and \$24.49 for females, operative from 2.5.66.

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8th August, 1966

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Table 1 - Consumer Price Index - Total and Group Indexes - Brisbane
(Year 1952-53 = 100.0)

Period	Food	Clothing and Drapery	Housing	Household Supplies and Equipment	Miscell- aneous	All Groups
<u>Year</u> -						
1956-57 ..	111.5	104.7	118.4	106.5	118.9	112.0
1957-58 ..	113.0	107.8	123.9	108.3	120.5	114.4
1958-59 ..	119.8	109.4	128.4	109.0	123.6	118.2
1959-60 ..	124.2	111.9	132.6	110.6	125.6	121.2
1960-61 ..	130.4	115.1	137.6	111.3	129.5	125.4
1961-62 ..	130.8	116.7	140.5	113.0	133.3	127.3
1962-63 ..	129.8	117.0	144.0	112.8	134.4	127.7
1963-64 ..	133.1	117.8	145.2	111.7	135.2	129.0
1964-65 ..	141.5	119.5	149.0	112.7	140.9	133.9
1965-66 ..	150.9	121.0	158.3	115.0	148.7	140.4
<u>Quarter</u> -						
1965 - June ..	145.0	120.1	150.4	113.1	142.4	135.7
September	149.7	120.2	157.1	114.2	143.1	138.3
December	151.0	120.6	157.7	114.7	147.8	140.0
1966 - March ..	151.7	120.9	158.8	115.1	152.0	141.4
June ..	151.1	122.2	159.7	116.1	152.0	141.7
Percentage Increase or Decrease (-) on Previous Quarter						
<u>Quarter</u> -						
1965 - June ..	1.6	0.3	0.6	0.4	0.5	0.8
September	3.2	0.1	4.5	1.0	0.5	1.9
December	0.9	0.3	0.4	0.4	3.3	1.2
1966 - March ..	0.5	0.2	0.7	0.3	2.8	1.0
June ..	-0.4	1.1	0.6	0.9	-	0.2

Table 2 - Consumer Price Index - State Capital Cities
(Year 1952-53 = 100.0 for Each City and for Six State Capitals)

As the base for each city is 100.0, the indexes in the table below do not indicate relative price levels as between cities, but they may be used to compare relative price movements in the various cities.

Period	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Weighted Average Six State Capitals
<u>Year</u> -							
1956-57 ..	112.9	114.0	112.0	111.1	112.9	116.9	113.1
1957-58 ..	114.5	114.4	114.4	111.9	113.6	117.0	114.2
1958-59 ..	115.3	116.6	118.2	114.5	114.7	118.7	116.0
1959-60 ..	117.8	120.0	121.2	118.0	116.9	120.8	118.9
1960-61 ..	122.1	125.9	125.4	122.9	121.2	127.5	123.8
1961-62 ..	122.6	126.3	127.3	122.5	121.6	128.1	124.3
1962-63 ..	123.2	126.2	127.7	122.1	122.2	128.0	124.5
1963-64 ..	124.5	127.1	129.0	123.5	123.8	129.4	125.7
1964-65 ..	128.8	132.2	133.9	128.6	127.6	133.6	130.4
1965-66 ..	133.1	137.1	140.4	132.7	132.5	138.3	135.2
<u>Quarter</u> -							
1965 - June ..	130.3	134.4	135.7	129.9	129.3	135.2	132.1
September	131.8	135.6	138.3	130.7	130.0	137.0	133.5
December	133.3	137.2	140.0	132.7	131.7	138.8	135.2
1966 - March ..	133.3	137.2	141.4	133.1	132.8	138.1	135.4
June ..	134.0	138.5	141.7	134.4	135.3	139.3	136.5